Dear Members of the Committee on Commerce, Science and Transportation:

We are writing to you on behalf of a broad range of manufacturing, agricultural, and energy industries, urging you to support S. 2777 “The Surface Transportation Board Reauthorization Act of 2014” which would improve how the Board operates. The reforms in this bill would help make the STB a more timely, efficient and equitable regulatory agency and we strongly support this bill’s passage.

Congress created the STB to evaluate the reasonableness of rates when a railroad has market dominance over a customer. Unfortunately, STB policies make the agency virtually inaccessible for many rail customers. The Board estimates that their main remedy, a stand-alone cost challenge, takes 3.5 years and $5 million to litigate, and requires the plaintiff shipper to create from scratch an entire fictional railroad to prove the rates are excessive.

The bill introduced by Chairman Rockefeller and Ranking Member Thune would reauthorize the STB for the first time since it was created, and would make the Board a more viable forum for handling freight rail issues. The legislation would streamline rate case procedures, create a meaningful alternative dispute resolution process, and require an analysis of the rules under which the agency operates. Other commonsense improvements include allowing the Board members to discuss agency matters with each other, launch their own investigations, and create timelines for cases.

The Staggers Rail Act of 1980 envisioned an STB that would “allow, to the maximum extent possible, competition and demand to establish reasonable rates… and to provide expeditious handling and resolution on all proceedings.” We agree with this vision. However, the current policies fall far short of this shared goal. Even the Chairman of the STB recently said in a published opinion that “we should never be satisfied with a process that is so expensive and time consuming.”

Please support the Surface Transportation Board Reauthorization Act of 2014. The vitality and success of the U.S. railroad industry is in no way inconsistent with having, and in fact will support a well-functioning STB. The reforms proposed by the Chairman and Ranking Member will make important and necessary improvements that are consistent with the direction Congress set under the Staggers Rail Act.

Sincerely,
Agricultural Retailers Association
Alliance of Automobile Manufacturers
Alliance for Rail Competition
American Architectural Manufacturers Association
American Bakers Association
American Chemistry Council
American Forest & Paper Association
American Public Power Association
American Soybean Association
The Chlorine Institute
Connecticut Business and Industry Association
Consumers United for Rail Equity
Edison Electric Institute
The Fertilizer Institute
Glass Packaging Institute
Growth Energy
Institute of Scrap Recycling Industries, Inc.
Louisiana Chemical Association
Manufacture Alabama
National Association of Chemical Distributors
National Barley Growers Association
National Corn Growers Association
National Farmers Union
National Industrial Transportation League
National Rural Electric Cooperative Association
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National Sunflower Association
Plastic Pipe and Fittings Association
Portland Cement Association
PVC Pipe Association
Renewable Fuels Association
Resilient Floor Covering Institute
SPI: The Plastics Industry Trade Association
Steel Manufacturers Association
U.S. Canola Association
United States Dry Bean Council
USA Dry Pea & Lentil Council
The Vinyl Institute
Wallcoverings Association